

**Limited English Proficient Taxpayers
Need Improved Written Products to Help
Them Understand and Comply
With Tax Laws**

August 2003

Reference Number: 2003-40-163

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.



INSPECTOR GENERAL
for TAX
ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

August 11, 2003

MEMORANDUM FOR COMMISSIONER, WAGE AND INVESTMENT DIVISION

Gordon C. Milbourn

FROM: Gordon C. Milbourn III
Assistant Inspector General for Audit (Small Business and
Corporate Programs)

SUBJECT: Final Audit Report – Limited English Proficient Taxpayers
Need Improved Written Products to Help Them Understand and
Comply With Tax Laws (Audit # 200340023)

This report presents the results of our review to determine if the Internal Revenue Service (IRS) had identified and translated vital documents¹ to assist limited English proficient (LEP)² persons in preparing their tax returns. This audit was conducted as part of the Treasury Inspector General for Tax Administration's Fiscal Year 2003 discretionary audit coverage of the Wage and Investment Division.

Executive Order 13166,³ signed August 2000, requires Federal Government agencies to examine the services they provide and develop and implement programs by which LEP persons can obtain meaningful access to the services normally provided to English proficient taxpayers. In identifying the specific services it should make available to LEP taxpayers, the IRS must consider: 1) the number or proportion of LEP persons served or encountered; 2) the frequency with which LEP persons contact with the program; 3) the nature and importance of the program, activity, or service; and 4) the available resources and costs. Once it identifies the services to make available to LEP taxpayers, the IRS is then required to determine the appropriate mix of verbal and written language services it will provide.

¹ The Department of Justice as well as the IRS' Office of Chief Counsel guidance define a document as being vital if it contains information that is critical for obtaining Federal Government services and/or benefits, or is required by law.

² Individuals who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English.

³ Executive Order 13166, *Improving Access to Services for Persons With Limited English Proficiency* (dated August 11, 2000).

The IRS took numerous actions both prior to and subsequent to the signing of Executive Order 13166 to implement verbal and written services for LEP taxpayers similar to those provided to English proficient taxpayers. For example, the IRS has hired Spanish-speaking employees to assist taxpayers that call toll-free telephone numbers or visit Taxpayer Assistance Centers (TAC), successfully placed interpreter services⁴ in 97 percent of its TACs, established a Multilingual Initiative that includes the establishment of a Project Office with executive oversight, and translated over 244 written documents including forms, publications, and notices.

Many IRS actions to date have focused on providing verbal assistance services to LEP taxpayers. In an attempt to expand meaningful written services, the IRS, since the passage of the Executive Order, has been in the process of identifying those written documents that are vital to providing LEP taxpayers access to IRS programs, including helping them understand and comply with tax laws. Specifically, the IRS has conducted informal surveys to obtain feedback from external stakeholders⁵ on those written documents that are useful to LEP taxpayers in complying with tax laws. The survey resulted in the external stakeholders' identification of 58 written documents that could help LEP taxpayers understand and comply with tax laws. However, of the 58 products identified by stakeholders, only 16 are included in the 244 documents the IRS has already translated. Two examples of documents that were identified by the external stakeholders that need to be translated are the United States Individual Income Tax Return (Form 1040), along with the respective instructions for completing the tax return. Based on the fact that only 16 (28 percent) of the 58 documents identified by external stakeholders have been translated, it is imperative that the IRS continually interact with external stakeholders to ensure that the IRS translates the documents the LEP taxpayer population needs the most.

The IRS is also in the process of requesting feedback from its business operating divisions as to those written products that each considers vital and that should be translated to assist LEP taxpayers in interactions with the respective business unit. However, the actions to date have been informal at best; the IRS has not established a formal process by which it ensures continuous interaction with LEP taxpayers and their stakeholder groups.

To facilitate the IRS' efforts to provide written services similar to those provided to English proficient taxpayers, we recommended that the Commissioner, Wage and Investment Division, develop a formal survey process by which to identify the LEP taxpayer population. A formal survey process will assist the IRS in ensuring that those documents provided are the ones LEP taxpayers believe are useful to their ability to understand and comply with tax laws.

⁴ The IRS uses over-the-phone interpreter services to facilitate communications with taxpayers speaking any of 140 non-English languages. When contacted, interpreters translate questions, answers, and information between LEP taxpayers and IRS employees.

⁵ As used in this report, external stakeholders are non-IRS persons or organizations that have an interest in a given IRS issue. Examples of external stakeholders contacted by the IRS are Citizen Advocacy Panels, Low Income Tax Clinics, Tax Practitioners, and the Association of Latino Professionals in Finance and Accounting.

Management's Response: The IRS recognized the need to improve the products and services that are available to LEP taxpayers and has taken numerous actions to enable those taxpayers to obtain assistance. While IRS management agreed with and has begun corrective action on our recommendation, they did not agree that translation of documents is always the best solution, especially for the 10.3 million residents who speak English "well." The response stated the IRS believes a balanced approach of identifying "vital" documents for translation and providing other means of translation assistance will best serve LEP customers. Management's complete response to the draft report is included as Appendix VI.

We agree that the IRS has recognized the need to improve products and services made available to LEP taxpayers; however, we disagree with IRS management's rationale to eliminate the 10.3 million residents who speak English "well" from the need for document translation. As reported, the IRS excludes these residents because it considers these persons as English proficient and believes they would not benefit from having vital documents identified and translated into non-English languages. Our potential outcome measure of 21 million includes these persons because residents that described themselves as being able to speak English "well" did not indicate their ability to read or understand written English. We believe that the translation or interpretation of written documents would benefit this population of residents.

Copies of this report are also being sent to the IRS managers who are affected by the report recommendation. Please contact me at (202) 622-6510 if you have questions or Michael R. Phillips, Assistant Inspector General for Audit (Wage and Investment Income Programs), at (202) 927-0597.

**Limited English Proficient Taxpayers Need Improved Written Products
to Help Them Understand and Comply With Tax Laws**

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Background

Executive Order 13166,¹ signed August 2000, requires Federal Government agencies to examine the services they normally provide in English and to develop and implement a system by which limited English proficient (LEP) persons can meaningfully access those services without unduly burdening the mission of the agency. LEP taxpayers are those residents who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English. To identify those specific services it should make available to LEP taxpayers, the Internal Revenue Service (IRS) must give consideration to the following four factors established by the Department of Justice:

- The number or proportion of LEP persons served or encountered.
- The frequency with which LEP persons contact the program.
- The nature and importance of the program, activity, or service.
- The available resources and costs.

The IRS must also determine the appropriate mix of verbal and written language services to be provided to LEP taxpayers. Verbal language services include hiring bilingual staff, contracting for interpreters, and using telephone interpreter lines. For written language services, the IRS must identify for translation those documents that are critical or vital to LEP taxpayers in helping them understand and comply with tax filing requirements.

In the National Taxpayer Advocate's Fiscal Year (FY) 2000 Annual Report to Congress, the Advocate stated that tax law complexity was the highest-ranking problem individual taxpayers had with the IRS. Although LEP taxpayers have several verbal services to choose from when they need non-English assistance from the IRS, these taxpayers may be requiring this assistance because IRS written products

¹ Executive Order 13166, *Improving Access to Services for Persons With Limited English Proficiency* (dated August 11, 2000).

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(i.e., notices, forms, and publications) in non-English languages are limited.

This review was conducted in Lanham, Maryland, in the IRS' Multilingual Initiative (MLI) Project Office in the Wage and Investment (W&I) Division during January and February 2003. It was conducted as part of the Treasury Inspector General for Tax Administration's efforts to assess and report to the Congress the IRS' efforts to improve services to LEP taxpayers. The review was conducted in accordance with *Government Auditing Standards*. Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.

Numerous Actions Have Been Taken to Assist Limited English Proficient Taxpayers

For LEP taxpayers, language can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with tax filing responsibilities, or understanding the information provided by the IRS to the taxpaying public. The IRS has taken numerous actions to enable LEP taxpayers to obtain the verbal and written assistance needed to understand and comply with tax laws. These actions were taken both prior to and subsequent to the passage of Executive Order 13166 in August 2000. Actions taken prior to passage include:

- Hiring Spanish-speaking employees to assist taxpayers who call toll-free telephone numbers or visit Taxpayer Assistance Centers.
- Implementing over-the-phone interpreter (OPI) services² in 97 percent of its Taxpayer Assistance Centers that allow LEP persons speaking any of 140 languages to communicate with IRS employees by using an interpreter.
- Producing such things as brochures, videos, television announcements, and newspaper advertisements in other languages including Mandarin, Spanish, and Vietnamese.

² The IRS uses over-the-phone interpreter services to facilitate communications with taxpayers speaking any of 140 non-English languages. When contacted, interpreters translate questions, answers, and information between LEP taxpayers and IRS employees.

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- Translating 244 written products, throughout the years, in response to taxpayer needs including forms, publications, and notices into Spanish.

Actions taken subsequent to the passage of Executive Order 13166 have been primarily focused on establishing a strategic program to address the needs of LEP taxpayers. These include:

- Establishing a Project Office with executive oversight to accomplish the goal of expanding and integrating services that assist Spanish and other LEP taxpayers in meeting their tax responsibilities.
- Developing a Multilingual Initiative with a 5-year time line outlining the steps the IRS will follow to expand and integrate products and services for LEP taxpayers by FY 2005. As part of this initiative, teams were formed to look at the various services each IRS function provides. These teams gave the Project Office 32 recommendations to improve oral and written language services for LEP taxpayers.

No Formal Process Exists to Obtain Limited English Proficient Stakeholder Input to Assist in Identifying Vital Documents

Since the August 2000 signing of Executive Order 13166, the IRS has undertaken the process of identifying the vital written documents (e.g., forms, publications, notices) that must be translated to assist LEP taxpayers in understanding and complying with tax laws. The IRS' MLI Project Office has taken several steps towards identifying these vital documents, which include:

- Obtaining a September 2001 opinion from the IRS' Office of Chief Counsel on the definition of what constitutes a "vital document" and what forms and documents the IRS considers vital. In response, the Office of Chief Counsel mirrored guidance from the Department of Justice in that a document is considered to be vital if it contains information that is critical for obtaining Federal Government services or benefits or is required by law.

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- Completing informal surveys in June 2002 of external stakeholders³ for feedback on the needs of LEP taxpayers and documents that would be useful to them, and conducting a subsequent survey of tax practitioners.
- Requesting feedback from IRS business operating divisions in December 2002 as to those written products they believe are vital documents that should be translated to assist LEP taxpayer interactions. This process is due to be completed by September 2003.

Stakeholders identified products that could help LEP taxpayers meet their tax responsibilities

IRS information relative to LEP taxpayers is based primarily on informal surveys of external stakeholders, as no formal process is in place to ensure the IRS continually receives feedback from stakeholders regarding accessibility to IRS products and services that are available in English. These informal surveys provide some insight into how LEP taxpayers are affected by the IRS' current practice of issuing products predominately in English. For example, the surveys generally indicate that LEP taxpayers need the same tax products in non-English that are available to their English-speaking counterparts.

These surveys also provide information that could assist the IRS' efforts to identify and translate vital documents to improve LEP persons' access to agency services. For instance, IRS management believes that the 244 written documents that have already been translated are those documents that are necessary to give LEP taxpayers meaningful access to IRS services. However, the external stakeholders surveyed in June 2002 identified 58 written products that could help LEP taxpayers understand and comply with tax laws. We found that 16 (28 percent) of the written products had already been translated. Examples of two documents identified by the external stakeholders that have not been translated are the United States Individual

³ As used in this report, external stakeholders are non-IRS persons or organizations that have an interest in a given IRS issue. Examples of external stakeholders contacted by the IRS are Citizen Advocacy Panels, Low Income Tax Clinics, Tax Practitioners, and the Association of Latino Professionals in Finance and Accounting.

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Income Tax Return (Form 1040) and its instructions. It is imperative that the IRS continually interact with the external stakeholders to ensure that the IRS translates the documents the LEP taxpayer population needs the most.

The Form 1040 was discussed in the IRS Office of Chief Counsel's opinion as a product that constitutes a vital document. According to Counsel's opinion, Form 1040 is critical for accessing the IRS' programs because it is used to determine individual tax liability and to seek refunds. The Form 1040 is the primary means for the IRS to ensure tax compliance, and it is a primary document through which the IRS interacts with individual taxpayers. (See Appendix V for a list of documents identified by external stakeholders).

The external stakeholders identified documents they believed were vital for LEP taxpayers to gain meaningful access to IRS products and services. The IRS did not have formal procedures for obtaining input from external stakeholders because procedures were in the developmental phase. Without a formal process to obtain input from these stakeholders, there is a risk that the IRS will not be aware of or respond to the need to translate additional documents that stakeholders may identify in the future.

Millions of LEP taxpayers stand to benefit from having better access to IRS services and programs

The IRS has various statistics on its taxpayer population as a whole including the number and types of tax returns filed, the number of calls to toll-free telephone numbers for English and Spanish assistance, and accesses to the OPI service. While data are available on the number of inquiries for non-English assistance, the IRS has not historically captured information on the population of LEP taxpayers that could benefit from the identification of vital documents. It recently began to capture this information as a result of the signing of Executive Order 13166.

The informal surveys of external stakeholders suggest that an availability of tax products in non-English languages would reduce LEP taxpayers' reliance on tax practitioners for actions such as return preparation and reading IRS

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correspondence. These services often have an associated cost to the taxpayers.

Data compiled by the United States Census Department for the year 2000 indicate that approximately 47 million residents speak a language other than English⁴ when at home, and over 21 million of these residents described themselves as being able to speak English less than “very well.” See the chart below.

2000 Census Data

| English Proficiency Level | Residents |
|-----------------------------|--------------|
| Speaks English “Not at All” | 3.3 million |
| Speaks English “Not Well” | 7.6 million |
| Speaks English “Well” | 10.3 million |
| Speaks English “Very Well” | 25.6 million |

Source: United States Census 2000 (Summary File 3) Table PCT 12.

Therefore, these 21 million residents who speak English less than “very well” could benefit from having vital documents identified and translated into non-English languages. IRS management considers the 10.3 million residents who speak English “well” as being English proficient. The IRS excludes these residents because it believes these persons would not benefit from having vital documents identified and translated into non-English languages. Since census data do not include information on residents’ ability to read and understand English, we included these persons to show the maximum number of LEP persons who could benefit from having documents translated into non-English languages.

It is important that the IRS completes its identification and translation process for those documents that give LEP taxpayers meaningful access to IRS programs and services. This identification process is expected to be completed in

⁴ Examples of languages other than English include Spanish, Indo-European languages (such as French, German and Italian), and Asian and Pacific Island languages (such as Chinese, Korean, and Vietnamese).

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September 2003. The IRS plans to complete its process of translating identified vital documents by FY 2005.

Recommendation

We recommend that the Commissioner, W&I Division:

1. Develop a formal survey process to both identify its LEP taxpayer population and assist its efforts to identify written documents that are vital to LEP taxpayers' ability to comply with tax laws.

Management's Response: The IRS recognized the need to improve the products and services that are available to LEP taxpayers and has taken numerous actions to enable those taxpayers to obtain assistance. While IRS management agreed with and has begun corrective action on our recommendation, they did not agree that translation of documents is always the best solution, especially for the 10.3 million residents who speak English "well." The response indicated that the IRS believes a balanced approach of identifying "vital" documents for translation and providing other means of translation assistance will best serve LEP customers.

Office of Audit Comment: We agree that the IRS has recognized the need to improve products and services made available to LEP taxpayers; however, we disagree with IRS management's rationale to eliminate the 10.3 million residents who speak English "well" from the need for document translation. As reported, the IRS excludes these residents because it considers these persons as English proficient and believes they would not benefit from having vital documents identified and translated into non-English languages. Our potential outcome measure of 21 million includes these persons because residents that described themselves as being able to speak English "well" did not indicate their ability to read or understand written English. We believe that the translation or interpretation of written documents could provide benefits to this population of residents.

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Appendix I

Detailed Objective, Scope, and Methodology

The overall objective of this review was to determine if the Internal Revenue Service (IRS) had identified and translated vital documents¹ to assist limited English proficient (LEP)² persons in preparing their tax returns.

To achieve the objective, we performed the following tests:

- I. Determined the actions taken by the IRS during the first 2 years (Fiscal Years (FY) 2001 and 2002) of the Multilingual Strategy by contacting the Multilingual Initiative (MLI) Project Office Manager and discussing actions taken in FYs 2001 and 2002 to identify and translate vital documents and the process for obtaining stakeholder input.
- II. Determined the reasons that the identification of vital documents was delayed until the issuance of a December 2002 memorandum to IRS executives. We contacted the Project Office Manager and discussed the reasons for nonidentification during the 2-year period of FYs 2001 and 2002.
- III. Determined the reason that the identification of vital documents was targeted for FY 2003 and ascertained the projected date for translating documents identified as vital by contacting the Project Office Manager.
- IV. Determined the impact of the IRS not having identified and translated vital documents for LEP taxpayers. We:
 - A. Contacted the MLI Project Office Manager and obtained information on the number of LEP taxpayers serviced by the IRS in FYs 2001 and 2002.
 - B. Reviewed the IRS' management information systems to identify the number of calls received on the non-English toll-free telephone lines during FYs 2001 and 2002 and the number of taxpayers served by the IRS' interpreter service in Taxpayer Assistance Centers.
 - C. Reviewed census data for the year 2000 to identify the number and nationality of United States taxpayers speaking non-English languages.

¹ The Department of Justice as well as the IRS' Office of Chief Counsel guidance define a document as being vital if it contains information that is critical for obtaining Federal Government services and/or benefits, or is required by law.

² Individuals who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English.

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- V. Clarified the IRS' planned process for translating documents after they are identified, by contacting the MLI Project Office Manager to discuss their interim guidelines for translating documents.

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Appendix II

Major Contributors to This Report

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Kerry Kilpatrick, Director

Russell Martin, Acting Director

Deborah Glover, Audit Manager

Frank Jones, Acting Audit Manager

Bernice Banks, Senior Auditor

David Hartman, Senior Auditor

Robert Baker, Auditor

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Appendix III

Report Distribution List

Commissioner N:C
Deputy Commissioner for Services and Enforcement N:SE
Deputy Commissioner, Wage and Investment Division W
Director, Strategy and Finance, Wage and Investment Division W:S
Chief Counsel CC
National Taxpayer Advocate TA
Director, Office of Legislative Affairs CL:LA
Director, Office of Program Evaluation and Risk Analysis N:ADC:R:O
Office of Management Controls N:CFO:AR:M
Audit Liaison: GAO/TIGTA Liaison, Wage and Investment Division W:S:PA

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Appendix IV

Outcome Measures

This appendix presents detailed information on the measurable impact that our recommended corrective actions will have on tax administration. This benefit will be incorporated into our Semiannual Report to the Congress.

Type and Value of Outcome Measure:

- Taxpayer Burden – Potential; 21 million United States residents (see page 3).

Methodology Used to Measure the Reported Benefit:

We used United States census data for the year 2000, which is the most reliable information available on the number of persons that do not use English as their primary language and who may be limited English proficient (LEP). The census shows that approximately 47 million residents speak a non-English language when at home and that approximately 21 million of these residents speak English less than “very well.” The primary languages spoken by these residents are Spanish, other Indo-European languages, and Asian and Pacific Island languages. The 21 million is comprised of:

- 3.3 million residents who do not speak English at all.
- 7.6 million residents who do not speak English well.
- 10.3 million residents who speak English well.

Internal Revenue Service management considers the 10.3 million residents who speak English “well” as being English proficient and believes they would not benefit from having vital documents identified and translated into non-English languages. Since census data do not include information on residents’ ability to read and understand English, we included these persons as part of the maximum number of LEP persons who could benefit from having documents translated into non-English languages.

The unavailability of tax related documents in languages for LEP persons potentially causes them increased burden in meeting their tax responsibilities. The nonidentification of vital documents potentially precludes the translation of vital documents into languages for taxpayers who are not proficient in speaking and reading English.

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Appendix V

**Written Documents Identified by External Stakeholders
That Could Benefit Limited English Proficient Taxpayers**

| Product Name | Description |
|--------------------------------------|---|
| Form 433 * | Collection Information Statement |
| Form 656 | Offer in Compromise |
| Form 940 | Employer's Annual Federal Unemployment (FUTA) Tax Return |
| Form 1040 | United States (U.S.) Individual Income Tax Return |
| Form 1040 Instructions | Instructions for Form 1040 |
| Form 1040NR & Instructions | U.S. Nonresident Alien Income Tax Return (Form 1040-NR) and Instructions for Form 1040-NR |
| Form 1040 Schedules and Instructions | Schedules and Instructions for Form 1040 |
| Form 1040A * | U.S. Individual Income Tax Return |
| Form 1040EZ | Income Tax Return for Single Filers and Joint Filers With No Dependents |
| Form 1040X Instructions | Instructions for Amended U.S. Individual Income Tax Return (Form 1040X) |
| Form 1065 | U.S. Return of Partnership Income |
| Form 1099 | U.S. Information Return |
| Form 1099 Miscellaneous Instructions | Instructions for Miscellaneous Income (Form 1099 MISC) |
| Form 1120/1120S | U.S. Corporation Income Tax Return/U.S. Income Tax Return for an S Corporation |
| Form 2290 * | Heavy Vehicle Use Tax Return |
| Form 2441 | Child and Dependent Care Expenses |
| Form 2848 | Power of Attorney and Declaration of Representative |
| Form 4506 | Request for Copy or Transcript of Tax Form |
| Form 5471 | Information Return of U.S. Persons With Respect to Certain Foreign Corporations |
| Form 8453 | U.S. Individual Income Tax Declaration for Electronic Filing |
| Form 8814 | Parents' Election to Report Child's Interest and Dividends |
| Form 8821 | Tax Information Authorization |
| Form 8849 | Claim for Refund of Excise Tax |
| Form 8853 | Archer MSAs and Long-Term Care Insurance Contracts |
| Form 8857-SP * | Request for Innocent Spouse Relief (Spanish Version) |
| Form 8862 | Information to Claim Earned Income Credit After Disallowance |
| Form 8865 | Return of U.S. Persons With Respect to Certain Foreign Partnerships |
| Form 8867 | Paid Preparer's Earned Income Credit Checklist |
| Form 12153 | Request for a Collection Due Process Hearing |

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| Product Name | Description |
|----------------------------------|---|
| Form W-2 | Wage and Tax Statement |
| Form W-4 and Instructions | Employee's Withholding Allowance Certificate |
| Form W- 5 | Earned Income Credit Advance Payment Certificate |
| Form W-7(SP) * | Application for IRS Individual Taxpayer Identification Number (Spanish Version) |
| Form W-9 | Request for Taxpayer Identification Number and Certification |
| Letter 0064C * | Penalty & Interest Explained |
| Letter 0644C | Highway Use Filing Requirements |
| Letter 0672C | Payment(s) Located and/or Applied |
| Publication 1 SP * | Your Rights as a Taxpayer (Spanish Version) |
| Publication 5 | Your Appeal Rights and How To Prepare a Protest If You Don't Agree |
| Publication 15 | Circular E – Employer's Tax Guide |
| Publication 17 | Your Federal Income Tax |
| Publication 54 | Tax Guide for U.S. Citizens and Resident Aliens Abroad |
| Publication 334 | Tax Guide for Small Business (for Individuals Who Use Schedule C or C-EZ) |
| Publication 509 | Tax Calendar |
| Publication 510 | Excise Taxes |
| Publication 529 | Miscellaneous Deductions |
| Publication 560 | Retirement Plans for Small Business (SEP, Simple, and Qualified Plans) |
| Publication 579 SP * | How to Prepare the Federal Tax Return (Spanish Version) |
| Publication 590 | Individual Retirement Arrangements (IRAs) |
| Publication 594 SP * | What You Should Know About the IRS Collection Process (Spanish Version) |
| Publication 596 SP * | Earned Income Credit (Spanish Version) |
| Publication 850 * | English-Spanish Glossary of Words and Phrases Used in Publications Issued by the IRS |
| Publication 1235 SP * | Advance Earned Income Tax Credit Brochure (Spanish Version) |
| Publication 1660 | Collection Appeal Rights |
| Publication 1838 SP * | Advance Earned Income Tax Credit Folder (Spanish Version) |
| Publication 1915 SP * | Understanding Your IRS Individual Taxpayer Identification Number (Spanish Version) |
| Publication 3211 SP * | Earned Income Tax Credit Q & A's (Spanish Version) |
| Publication 3512 SP * | Innocent Spouse Relief Brochure (Spanish Version) |

* Denotes that item has been translated into Spanish for use in the United States.

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Appendix VI

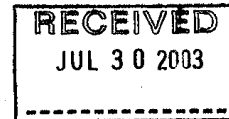
Management's Response to the Draft Report




COMMISSIONER
WAGE AND INVESTMENT DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
ATLANTA, GA 30308

July 30, 2003



MEMORANDUM FOR ACTING DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Henry O. Lamar, Jr. 
Commissioner, Wage and Investment Division

SUBJECT: Draft Audit Report – Limited English Proficient Taxpayers Need
Improved Written Products to Help Them Understand and
Comply With tax Laws (Audit # 200340023)

I have reviewed the subject report, and generally agree with your findings. We recognize the need to improve products and services that are available for our Limited English Proficient (LEP) customers. We have taken numerous actions to enable LEP Taxpayers to obtain verbal and written assistance needed to understand and comply with tax laws. Before the passage of Executive Order 13166, we hired Spanish-speaking employees and implemented over-the-phone interpreter (OPI) services, which assist LEP persons speaking any of 140 different languages. These services provided assistance with interpretation of IRS written documents. Employees are available via telephone and at key walk-in-offices. As stated in Executive Order 13166, our current services provide an alternative means to the translation of documents.

Your report stated that the IRS should, "develop a formal survey process to identify its LEP taxpayer population and assist its effort to identify written documents that are vital to LEP taxpayers' ability to comply with tax laws." We have started this effort and are targeting October 2003 for approval by our Multi-lingual Initiative (MLI) Executive Committee.

Your report also identified the outcome measures as reduction in Taxpayer Burden. The report stated that 21 million residents would benefit from having a formalized process for the identification of vital written tax documents. While we believe that the 10.9 million residents who do not speak English "well" would benefit from some sort of assistance in the translation or interpretation of written documents, we do not agree that translation is always the best method. Research indicates that among those who speak another language, 20 percent attained on a Grade 8 or below overall education. Of the foreign-born U.S. citizens who use English as a second language, 64 percent consistently function at only a Level 1 on Prose Literacy Test (a level of 2 or 3 is needed

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to understand and/or perform tax related task). We believe a balanced approach of identifying "vital" documents for translation and providing other means of translation assistance will best serve our LEP customers.

If you have any questions, please call me at (202) 622-4063 or Mary E. Davis, Director, Strategy and Finance, at (404) 338-8865.

Attachment

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Attachment

RECOMMENDATION

Develop a formal survey process to both identify its LEP taxpayer population and assist its effort to identify written documents that are vital to LEP taxpayers' ability to comply with tax laws.

CORRECTIVE ACTION

The MLI Project Office will develop a formal process to identify its LEP taxpayer population and assist its efforts to identify written documents that are vital to LEP taxpayers.

IMPLEMENTATION DATE

MLI Executive approval-October 2003, implementation FY04.

RESPONSIBLE OFFICIAL

Director, Strategy and Finance